

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE CITY OF POQUOSON, VIRGINIA TO APPROVE THE PLAN OF
FINANCE OF PENINSULA METROPOLITAN YMCA**

WHEREAS, there has been described to the Industrial Development Authority of the City of Poquoson, Virginia (the "Authority"), the plans of Peninsula Metropolitan YMCA (the "Company"), whose current address is 1322 La Salle Avenue, Hampton, Virginia, 23669, acting on its own behalf, to approve the plan of finance for the acquisition, construction, renovation and development of three family recreational facilities (collectively, the "Projects") to be located at 7827 Warwick Boulevard in the City of Newport News, Virginia; 1200 Hampton Highway in York County, Virginia; and 259 James Street, in the County of Isle of Wight, Virginia; and

WHEREAS, the Company, in its application and in its appearance before the Authority, has requested that the Authority issue its industrial development revenue bonds under the provisions of Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the "Act"), in such amounts as may be necessary to finance costs to be incurred in the financing of the Projects, including financing costs; and

WHEREAS, a public hearing has been held as required by the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended, at this meeting.

**NOW, THEREFORE, BE IT RESOLVED BY THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF POQUOSON, VIRGINIA THAT:**

1. The foregoing recitals are approved by the Authority and are incorporated in, and deemed a part of this Resolution.

2. It is hereby found and determined by the Authority that (a) provision of financing of the Projects by the Authority will be in the public interest and will benefit the inhabitants of the City of Poquoson, the City of Newport News, Isle of Wight County and York County (collectively, the "Cities and Counties") through the promotion of the safety, health, welfare, convenience and prosperity, and (b) the acquisition, construction, renovation and development of the Projects for the Company in the Cities and Counties will further the public purposes of the Act and provide a public benefit to the Cities and Counties by, among other things, promoting safety, health, welfare, convenience and prosperity.

3. It is hereby found and determined that the Projects will constitute "authority facilities" within the meaning of the Act.

4. To induce the Company to acquire, construct, renovate and develop the Projects, the Authority hereby agrees to cooperate with the Company in the review and evaluation of the

application to finance the Projects and, subject to the Authority's final approval of the terms and conditions of the financing of the Projects and the offering of the Bonds (as defined below) at a later date, to undertake the issuance of its industrial development revenue bonds therefor in the maximum principal amount of \$10,000,000 (the "Bonds") upon the terms and conditions to be mutually agreed upon by the Authority and the Company. If finally approved by the Authority, the Bonds will be issued pursuant to an Indenture of Trust and certain other documents satisfactory to, and with terms to be approved by, the Authority. The Bonds will be issued only after the Authority has received the approving opinion of Bond Counsel as to the qualification of the Bonds under the Act and appropriate certifications and opinions as to the offering of the Bonds and the disclosure with respect thereto.

5. It having been represented to the Authority that it is necessary to proceed with the acquisition, construction, renovation and development of the Projects, the Authority hereby agrees that the Company may proceed with the plans for the Projects, enter into contracts for the acquisition, construction, renovation and development of the Projects and take such other steps as it may deem appropriate in connection therewith, provided that nothing herein shall be deemed to authorize the Company to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Projects.

6. The Authority hereby agrees to the recommendation of the Company that Willcox & Savage, P.C., Virginia Beach, Virginia, be appointed as Bond Counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

7. The Authority hereby agrees, if requested, to accept the recommendation of the Company with respect to the appointment of an agent or underwriter for the sale of Bonds pursuant to the terms to be mutually agreed upon by the Authority and the Company.

8. All costs and expenses in connection with the financing and the acquisition, construction, renovation and development of the Projects, including the fees and expenses of Bond Counsel, counsel for the Authority and the agent or underwriter for the sale of the Bonds shall be paid from the proceeds of the Bonds (but only to the extent permitted by applicable law) or by the Company. If for any reason such Bonds are not issued, it is understood that all such expenses shall be paid by the Company and that the Authority shall have no responsibility therefor.

9. In adopting this Resolution, the Authority hereby declares its "official intent" to issue the Bonds within the meaning of Treasury Regulation Section 1.150-2 and certifies that, based upon the Company's application and other evidence available at the time of the adoption of this Resolution, the Authority reasonably expects that it will use proceeds of the Bonds to reimburse original expenditures for the Projects within the meaning and contemplation of Treasury Regulation Section 1.150-2 in an amount not expected to exceed \$1,000,000.

10. The Bonds shall be limited obligations of the Authority and shall be payable solely out of revenues, receipts and payments specifically pledged therefor. Neither the directors, officers, agents or employees of the Authority, past, present and future, nor any person executing the Bonds, shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be deemed to constitute a general obligation debt or a pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the City of Poquoson and the Authority and neither the Commonwealth of Virginia nor any such political subdivision thereof shall be personally liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than the special funds and sources provided therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia, or any political subdivision thereof, including the City of Poquoson, shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

11. The Authority shall not be liable and hereby disclaims all liability to the Company for any damages, direct or consequential, resulting from the Authority's failure to issue Bonds for the Projects for any reason, including but not limited to, the failure of the City Council of the City of Poquoson to approve the issuance of the Bonds. Nothing herein shall be construed as a commitment or obligation on the part of the Authority to adopt a final resolution or execute any documents with respect to the Projects.

12. Unless this Resolution is extended by the Authority, the Bonds authorized hereunder shall be issued within one year from the date hereof or this Resolution shall become void and of no further force or effect.

13. The Authority hereby recommends that the City Council of the City of Poquoson approve the issuance of the Bonds and hereby directs the Chairman or Vice-Chairman of the Authority to submit to the City Council of the City of Poquoson a reasonably detailed summary of the comments, if any, expressed at the public hearing, the fiscal impact statement required by Virginia law, and a copy of this Resolution.

14. This Resolution shall take effect immediately upon its adoption.

Adopted: May 17, 2001